

REMARKS

Claims 50-101 are pending in the present application, with claims 1-49 cancelled. No new matter is introduced (see, e.g., claims 1-46, as originally filed, claims 1-49, as previously presented via Preliminary Amendment, and Specification, paragraphs [0017]-[0027], [0039], [0052] and Figs. 1-4 and discussion thereof).

First, Applicants wish to thank Examiner Abdi and Primary examiner John Hayes for conducting the personal interview with Applicants' representatives on February 2, 2005. Although no agreement was reached, the claims as substantially submitted herewith were discussed and which patentably distinguish over U.S. Patent No. 5,311,591 to *Fischer*, and U.S. Patent No. 5,794,207 to *Walker et al.*, alone or in combination, as further set forth herein.

New claims 50-101 are submitted to replace all claims currently on file. New independent method claim 50 is based on original method claim 28, and has been amended by further defining the steps of obtaining an electronic item ticket, obtaining a digital license, and electronically parsing the digital license. Further, new method claim 50 defines a step of rendering or accessing the electronic item ticket through the digital license by unlocking the security mechanism, and a step of controlling the manner of use of the item by controlling the manner of use for redeeming the item in accordance with the determined usage rights of the digital license. These amendments are supported by the originally filed Specification, for example, by paragraphs [0017]-[0027], [0039], [0052], and Figs. 1-4 and discussion thereof. New dependent claims 51 to 68 correspond respectively to original dependent claims 29 to 46. New independent system claim 71 is based on original independent system claim 25 and has been amended in compliance with FIG. 1 and the corresponding passages in the description by defining that the security component (60) for enforcing the usage rights and for unlocking the security mechanism and being included in a client environment. New dependent claims 72 and 73 correspond respectively to original dependent claims 26 and 27. New independent computer readable medium claim 76 is based on original enforceable property right claim 1 and has further been amended in a corresponding manner as new claims 50 and 71 and based on the personal interview. New dependent claims 77 to 99 correspond respectively to original

dependent claims 2 to 24. Accordingly, the new claims do not introduce new subject matter extending beyond the content of the originally filed application.

In the present invention, it is important to distinguish between the electronic item ticket and the digital license, as defined in the present independent claims, and to recognize that the electronic item ticket has a security mechanism that is unlocked by the digital license, whereby the digital license, the electronic item ticket, and the item are three distinct elements. It is the object of the present invention to provide an improved method for enforcing a property right within a system for controlling a manner of use, as well as a corresponding system, and a corresponding enforceable property right. This object is solved by the present invention and particularly by the subject matter of the present independent claims. Particularly, referring to claim 50, there is described a method, wherein an enforceable property right for a specific item is obtained, including obtaining an electronic item ticket that specifies the specific item and that has a security mechanism incorporated therein. Also obtained is a digital license that is associated with the electronic item ticket, whereby the digital license includes usage rights that specify a manner of use for redeeming the associated electronic item ticket. The electronic item ticket is rendered or accessed through the associated digital license by unlocking the security mechanism (if the conditions specified by the digital license are satisfied). The manner of use of the specific item can then be controlled by the manner of use for redeeming the electronic item ticket controlled in accordance with the usage rights of the digital license.

Advantageously, the manner of use of an item is controlled using a secured electronic item ticket in so far as the electronic item ticket can only be accessed through an additionally required digital license having usage rights and conditions. This on one hand increases the security and on the other hand allows digital rights management techniques that are more flexible, since the electronic item ticket specifies the specific item and the digital license includes the usage rights and conditions, which can be two distinct elements and thus can be generated and even distributed separately.

Pending claims 50-101 are in compliance with 35 U.S.C. §§ 101 and 112 and no further rejection on such basis is anticipated. If, however, the Examiner should

disagree, the Examiner is invited to contact the undersigned attorney who will be happy to work with the Examiner in a joint effort to derive a mutually satisfactory solution.

By contrast, the applied references, U.S. Patent No. 5,311,591 to *Fischer*, and U.S. Patent No. 5,794,207 to *Walker et al.*, alone or in combination, at least fail to teach, suggest or disclose a digital license and associated electronic item ticket, as claimed. For example, independent claim 50 (emphasis added) recites:

A method for enforcing a property right within a system for controlling a manner of use of an item in accordance with usage rights, the method comprising:

obtaining an enforceable property right for a specific item, including obtaining **an electronic item ticket specifying the specific item as an item for which the electronic item ticket is redeemed, the electronic item ticket having a security mechanism incorporated therein, and**

obtaining **a digital license associated with the electronic item ticket, the digital license including usage rights specifying a manner of use for redeeming the electronic item ticket and conditions for exercising the manner of use;**

electronically parsing the digital license for usage rights and conditions;

determining if the conditions are satisfied;

if the conditions are satisfied, rendering or accessing the electronic item ticket through the digital license by unlocking the security mechanism of the electronic item ticket; and

controlling the manner of use of the specific item by controlling the manner of use for redeeming the electronic item ticket in accordance with the determined usage rights.

independent claim 71 (emphasis added) recites:

A system for enforcing property rights in items by controlling use of the items in accordance with usage rights, the system comprising:

a license device operative to associate **a digital license with an electronic item ticket, the electronic item ticket specifying an item for which the electronic item ticket is redeemed and having a security mechanism incorporated therein, the digital license including usage rights specifying a manner of use for redeeming the electronic item ticket and conditions for exercising the manner of use; and**

a client environment operative to obtain the electronic item ticket and the digital license and to control the manner of use of the item by including a security component operative to determine usage rights and conditions from the digital license, unlock the security mechanism of the electronic item ticket when the conditions are satisfied, and enforce the usage rights of the

digital license for the item for which the electronic item ticket is redeemed.

independent claim 76 (emphasis added) recites:

A computer readable medium including one or more computer readable instructions embedded therein for enforcing an enforceable property right for use within the system for controlling the manner of use of an item in accordance with usage rights, and configured to cause one or more processors to perform the steps of:

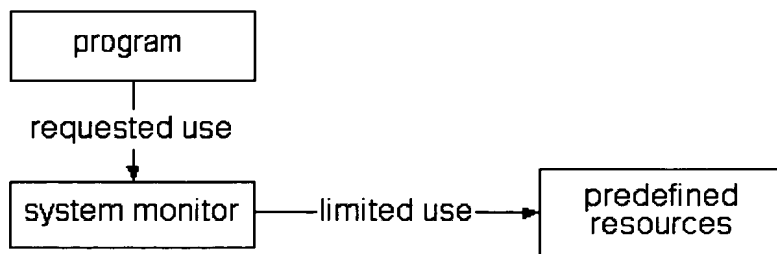
specifying via an electronic item ticket a specific item as an item for which the electronic item ticket is redeemed, the electronic item ticket having a security mechanism incorporated therein; and

associating a digital license with the electronic item ticket, the digital license including usage rights specifying a manner of use for redeeming the electronic item ticket and means for unlocking the security mechanism, whereby the electronic item ticket is rendered or accessed through the unlocking means of the digital license, if the conditions are satisfied,

wherein the manner of use of the specific item is controlled by controlling the manner of use for redeeming the electronic item ticket in accordance with the determined usage rights.

By contrast, *Fischer* is directed to a system monitor, which limits the ability of a program about to be executed to the use of predefined resources (e.g., data files, disk writing capabilities, etc.) The system monitor processes a data structure including a set of authorities defining that which a program is permitted to do and/or that which the program is precluded from doing. *Fischer*, Abstract.

The following Figure illustrates the relationship of the elements of the system of *Fischer*.



However, as correctly admitted in the present Office Action, *Fischer* fails to teach, disclose or suggest a digital license associated with an electronic item ticket, as

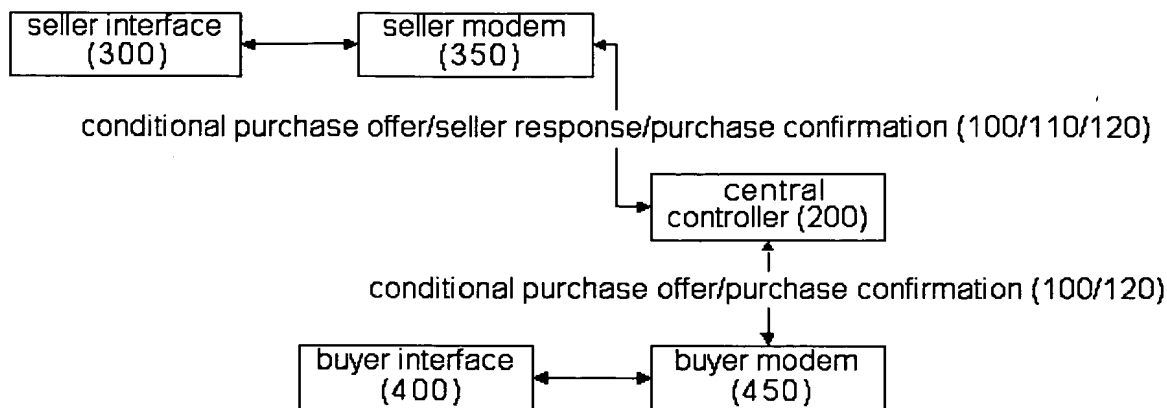
recited in independent claims 50, 71, and 76.

Apparently, the present Office Action likens the current concept of “an electronic item ticket” to *Fischer*’s “exchangeable object” and the current concept of “a digital license” to *Fischer*’s “program authorization information.” While the level of similarity of those respective concepts is debatable, there is a clear distinction to be drawn between their interrelations. It cannot be simply concluded (as the present Office Action does) that “digital license” is to “electronic item ticket” as “program authorization information” is to “exchangeable object.” The relation between “digital license” and “electronic item ticket” is that the “digital license” includes usage rights specifying a manner of use for redeeming an “electronic item ticket.” The relation between “program authorization information” and “exchangeable object” is that the “program authorization information” specifies the authorizations held by the program that reads the exchangeable object. In other words, the target of the digital license is the electronic item ticket itself, but the target of the program authorization information is the program, not the exchangeable object.

In addition, contrary to the assertion in the present Office Action that *Fischer* discloses “encryption,” the characters “encry” do not appear together anywhere in *Fischer*. In fact, *Fischer* does not teach anything about the protection of the actual data portion of the exchangeable object, except to mention that there is no reason to protect the data portion and only the program and PAI need to be protected. Further, *Fischer*’s invention is geared toward helping a user control a “program’s” access to the “user’s” data, whereas the current invention is geared toward controlling a “user’s” access to “electronic item-ticket” data.

Walker et al. is directed to method and apparatus for effectuating cryptographically assisted bilateral buyer-driven commerce, allowing prospective buyers of goods and services to communicate a binding purchase offer globally to potential sellers, for sellers conveniently to search for relevant buyer purchase offers, and for sellers to enter into a binding legal contract with a buyer based on the buyer’s purchase offer (*Walker et al.*, Title, Abstract, FIGs. 1-2, and element 210 of FIG. 2).

The following Figure illustrates the relationship of the elements of the system of *Walker et al.*



However, *Walker et al.* fails to cure the noted deficiencies in *Fischer* and fails to even mention digital licenses in the manner claimed, much less digital licenses associated with an electronic item ticket, as recited in independent claims 50, 71, and 76.

Specifically, with respect to the “redemption” of an electronic item ticket, the present Office Action correctly acknowledges that this feature is not disclosed by *Fischer*, but rather asserts that *Walker et al.* discloses such a concept by relying on *Walker et al.*’s concept of a “conditional purchase offer.” However, if we were to relate an “electronic item ticket” to some sort of conditional offer, it would be a “conditional sale offer” more than a “conditional purchase offer.” If there is any relation between *Walker et al.* and the current invention, it is that the current invention is the inverse of *Walker et al.*

Nonetheless, even in this situation there are significant differences between *Walker et al.* and the current invention. In the strict inverse of *Walker et al.*, the “conditional sale offer” would be a single entity that the user could choose to execute by purchasing the goods. In the current invention, the enforceable property right includes two parts: the electronic item ticket and the digital license, where the digital license includes the usage rights for the redemption of the electronic item ticket. For instance, in inverse *Walker et al.* the price would be specified in the single “conditional sale offer” along with the information about the item to be purchased. In the current invention, the price would be specified in the digital license for redeeming the electronic item ticket, which would include the information specifying the item to

be purchased. The present Office Action claims the introduction of the “digital license” beyond *Walker et al.* was obvious because of the existence of *Fischer*. However, as was just shown the “digital license” was not simply an “addition” to inverse *Walker et al.*, but also somewhat of a strategic “separation” of what was already there in “conditional sale offer” into two parts: the electronic item ticket and the digital license.

Even if the current invention were piece-wise obvious over *Fischer* and *Walker et al.*, the exact form and manner of the separation and augmentation to create the present invention is not obvious. Moreover, the portions of *Walker et al.* cited in the present Office Action merely disclose how to secure a communication with a central repository (such as a distributor), and not how to secure a CPO (conditional purchase offer/electronic item ticket) itself in such a way that it can be separated from the central repository and from a digital license.

In addition, *Walker et al.* is no better than Applicants’ background art. Specifically, although the system of *Walker et al.* effectuates cryptographically assisted bilateral buyer-driven commerce and can be applied to more diverse goods and services, the system also is merely a mechanism for matching buyers to sellers (see, e.g., *Specification*, page 3, paragraph [0007]).

By contrast, exemplary embodiments of the invention include an electronic item ticket that specifies an item for which the electronic item ticket is redeemed and includes a security mechanism that is unlocked by the digital license, whereby the digital license, the electronic item ticket, and the item constitute three distinct objects. However, as noted above, *Fischer* fails to even mention licenses in the manner claimed, much less a digital license associated with an electronic item ticket, as recited in independent claims 50, 71, and 76, and *Walker et al.* fails to cure such deficiencies.

Nonetheless, Applicants’ background art acknowledges that licenses can be used for digital content. Specifically, Applicants’ *Specification*, page 2, paragraph [0004], states that:

For example, U.S. patent 5,634,012, discloses a system for controlling the distribution of digital documents. Each rendering device has a repository associated therewith. A predetermined set of usage transaction steps define a protocol used by the repositories

for enforcing usage rights associated with a document. Usage rights persist with the document content. The usage rights can permit various manners of use of the content such as, viewing only, use once, distribution, and the like. Usage rights can be contingent on payment or satisfaction of other conditions and the variables.

Thus, the applied references, whether taken alone or in combination, fail to disclose, teach or suggest an electronic item ticket that specifies an item for which the electronic item ticket is redeemed and including a security mechanism that is unlocked by a digital license, whereby the digital license, the electronic item ticket, and the item constitute three distinct objects. By contrast, by providing a digital license associated with an electronic item ticket, as recited in independent claims 50, 71, and 76, usage rights can be applied not only to digital content, but also to non-digital content, such as non-digital goods and services. This novel configuration, for the very first time, permits the concept of usage rights to be applied to tangible goods and services and provides flexibility of distribution of such goods and services. The present inventors recognized such a problem, wherein Applicants' *Specification*, page 2, paragraph [0005], states that:

As noted above, it is known to control the use and distribution of digital content, i.e. documents or other information that can be rendered by a computer or other device, using usage rights and conditions. This permits digital content to be distributed in a flexible manner while protecting the rights of the content owner and permitting the content owner, and others adding value to transactions, to produce a revenue stream from the distribution. However, tangible items, such as goods and services [cannot] be distributed in such a flexible manner.

The present inventors addressed such a problem by providing a digital license associated with an electronic item ticket, as recited in independent claims 50, 71, and 76. For example, Applicants' *Specification*, page 25, paragraph [0067], states that:

In general, one can specify how people use or access goods, services or other items through enforceable property rights. The owner item or distributor will have more control over the item and the user can have better management over what property rights are obtained and at what cost. The ability to create an enforceable property right in various items permits the items to be traded in an open market environment. While such an environment is known for commodities and stocks, it previously was not available for other

goods and services. The various rights, conditions, items and other indicators can be expressed in any manner and can be stored at the same location or in different locations. For example, the ticket can be stored at one location, such as a user device, and the license can be stored at another location, such as a license server of other device. The various aspects of the preferred embodiment have individual utility and can exist separately. For example, licenses can exist separately from ticket, and each can exist outside of any specific computer architecture or system.

The recognition and solution of a problem, as is in the present case, is considered indicia of non-obviousness. *In re Spinnable* 405 F.2d at 578, 585-86, 160 USPQ 237, 243-244 (CCPA 1969).

In addition, Applicants submit that the applied prior art fails to suggest the desirability of the claimed invention, as required by M.P.E.P. §2143.01. Specifically, “[t]he mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination,” *In re Mills*, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990), and M.P.E.P. §2143.01. However, neither *Fischer* nor *Walker et al.* suggests the desirability of the proposed combinations.

Accordingly, for at least the reasons outlined above, Applicants respectfully submit that the applied references, either alone or in combination, fail to teach, suggest or disclose, either expressly or inherently, each and every feature of the claimed invention, as recited in independent claims 50, 71, and 76. Thus, the applied references can not anticipate nor render obvious the claimed invention.

Dependent claims 51-70, 71-75, and 77-101 are allowable over the applied references, taken alone or in combination, on their on merits and for at least the reasons as argued above with respect to independent claims 50, 71, and 76.

In addition, the specification has been amended to correct a typographical informality. No new matter is introduced.

The prior art that has been cited, but not applied by the Examiner, has been taken into consideration during formulation of this response. However, since this art was not considered by the Examiner to be of sufficient relevance to apply against any of the claims, no detailed comments thereon are believed to be warranted at this time.

In view of the foregoing, it is submitted that the present application is in condition for allowance and a notice to that effect is respectfully requested. If, however, the Examiner deems that any issue remains after considering this response, the Examiner is invited to contact the undersigned attorney to expedite the prosecution and engage in a joint effort to work out a mutually satisfactory solution.

Respectfully submitted,
NIXON PEABODY LLP



Carlos R. Villaman
Registration No. 43,224

Date: February 9, 2005

Customer No. 22204
NIXON PEABODY LLP
401 9th Street, N.W., Suite 900
Washington, DC 20004
202-585-8000
Fax: 202-585-8080